



STATE OF NEW MEXICO  
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION  
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD  
AZTEC, NEW MEXICO 87410  
(505) 334-6178

July 12, 1990

Mr. John Alexander  
Dugan Production Corp.  
P.O. Box 420  
Farmington, NM 87499

RE: Central Cha-Cha Unit #4, ~~L-31-29N-13W~~

Dear John:

As you are aware, the Mechanical Integrity Test conducted on the referenced well on July 10, 1990 indicated a small casing leak. In view of the situation involving commercial water disposal sites in this area and your problem at the Northwest Bisti Unit, you may continue disposing of water from the NWBU into this well for 90 days from this date, provided you monitor the tubing-casing annulus pressure weekly.

Yours truly,

Charles Gholson  
Deputy Oil & Gas Inspector  
NMOCD  
District III

CG:sh

xc: Well File  
Operator File  
UIC File  
Prentiss Childs  
David Catanach